PROPRIETARY INDUSTRIES INC.

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

Management's Discussion and Analysis for the year ended September 30, 2001

Overview

The Board and management of Proprietary ("Proprietary" or "PPI") wish to announce current and restated historical financial results for the company's fiscal year ended September 30, 2001 as audited by Hudson & Company. Proprietary's gross assets were $225,977,450 as opposed to $191,256,866 for the prior year and working capital and cash as at year end was $31,305,280 and $14,091,854, respectively. PPI has recorded $58,108,626 in revenue compared to revenue of $24,300,090 for the prior year. PPI has recorded $9,094,994 in cash flow from operations (representing $0.17 per share) compared to cash flow from operations of $3,082,276 (representing $0.12 per share) for the prior year. PPI has recorded $18,468,495 for earnings before tax (representing $0.34 per share) compared to earnings before tax of $4,307,196 (representing $0.16 per share) for the prior year.

Business Strategy

PPI's business strategy is defined and discussed in detail in its annual report which will be mailed shortly.

Recent Developments

Selected recent developments for the fourth quarter include:

- PPI sold its entire Ventra position in the market for an approximate gain of $5.0 million.
- PPI's bid to remove and replace eDispatch's board was not successful. Litigation has been commenced to address voting irregularities, potential board misconduct and conflict issues relating to the CIBC World Markets fairness opinion.
- PPI was successful in closing the transactions related to the sale of The Creative Classics Company and Swiss Plastering and Interiors, Inc. It collected $14.6 million from an arm's length third party financial institution against guarantees and surety pledged for the notes issued as consideration for these transactions.

Change in accounting policy

In 2001, the Company changed its policy for accounting for income taxes based on the provision of Section 3465 of the Handbook of the Canadian Institute of Chartered Accountants which was adopted effective October 1, 2000. The provisions were applied retroactively without restatement of prior period financial statements. Please refer to financial statement Note 3 for details.

Results for the Twelve month Period ended September 30, 2001

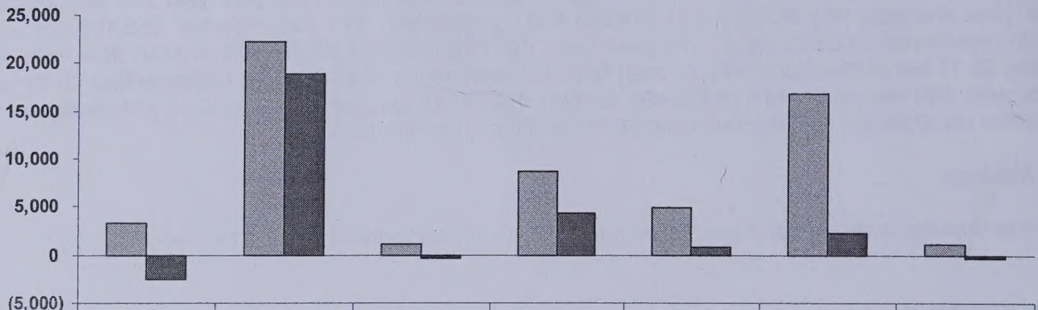
Net earnings for the period were $16.9 million or $0.31 per common share compared with $3.3 million or $0.12 per common share for the same period in 2000.

Revenue for the year was $58.1 million compared to $24.3 million for the same period in 2000, an increase of $33.8 million or 139%. The following are the primary reasons for the change in revenue (i) inclusion of revenues from recreation for six months following acquisition in March 2001, (ii) inclusion of full year of operations for Swiss Asset Management, (iii) increased principal merchant banking activity and (iv) recording of $11.2 million of gain on the sale of The Creative Classics Company and Swiss Plastering and Interiors, Inc. for which the cash was realized in 2001.

Earnings before Income Taxes and Minority Interest for the period were $18.5 million compared to $4.3 million in 2000, an increase of $14.2 million. This increase can be attributed to the recording of the gain on sale of businesses, offset by the increased expenses associated with the US based automotive subsidiaries. Basic cash flow per share for the period was $0.17, compared to $0.07 for the same period in 2000. Cash flow from operations for the period was $9.1 million compared to $3.1 million during the same period last year, a 195% increase.

Results of operations

2001 Revenue and Cash Flow by Segment
(in $'000)



	Automotive	Corporate	Construction	Financing	Real Estate Rentals	Resorts and recreation	Resource
Revenues	3,270	22,256	1,121	8,643	4,899	16,793	1,126
Cash Flow	(2,518)	18,877	(345)	4,304	784	2,329	(313)

Automotive

The automotive division lost $3.7 million and incurred negative cash flow of $2.5 million during the current fiscal year. In consequence management has shut down its money losing automotive manufacturing endeavors, laying off 12 employees and transferring 3 remaining employees to its cash flow generating vehicle rentals, auto parts distribution and specialty tuning endeavors. Savings will begin to be manifested by the second quarter of fiscal 2002.

Corporate

PPI's Principal Merchant Banking activities are described in detail in the annual report. During the current fiscal year PPI opted to sell its Ventra Group Inc. shares and record a gain of approximately $5.0 million. It also expensed $0.8 million of costs related to the acquisition of eDispatch. Revenue and cash flow also includes $11.2 million of gain on the sale of The Creative Classics Company and Swiss Plastering and Interiors, Inc for which the cash was realized in 2001.

Construction

Proprietary carries out real estate development and construction operations in the United States through Proprietary's Arizona-based subsidiary, EnerGCorp, and those companies in which EnerGCorp has an interest, including Atlas Tuff-Kote, Inc, Continental Interiors and Innovative Property Marketing. Combined revenue and cash flow were $1.1 million and ($0.3) million, respectively.

Financing

The financing activity is carried through its subsidiary American Home Capital Company ("AHCC"), which owns Swiss Asset Management. AHCC is a mortgage banker and broker, and also extends credit to companies and individuals in the States of Florida, California and Arizona. During the current fiscal year revenues were $8.6 million, and cash flow was $4.3 million.

Real Estate Rentals

Mobile Home Parks

WCP owns and operates three mobile home communities in Edmonton, Lac La Biche and High Prairie, Alberta that cater to the middle to lower income housing market. These properties were acquired at attractive prices and are generating substantial returns. The three properties combined have an estimated fair market value of approximately $20 million, and are projected to generate annual revenue of $2.6 million and cash flow of $0.8 million for fiscal year

2002. In 2001, vacancies decreased substantially resulting in higher revenues and profits. WCP is currently applying for a rezoning permit to allow for the development of additional sites at its Edmonton location. The successful completion of this proposed expansion should add $250,000 to $300,000 in cash flow to WCP annually. CMP is looking to add to its portfolio of mobile home communities as opportunities arise.

Central City Business Park
On September 1, 2001 CMP acquired Central City Business Park, a 37,000 square foot commercial strip mall in downtown Kelowna, B.C. for gross proceeds of $2.87 million in September. The purchase price was satisfied by the assumption of existing first and second mortgages of approximately $2,636,500, payment of corporate and property tax obligations and the issuance of 31,742 common shares of CMP at a deemed price of $1.00. CMP has committed to undertake some needed capital improvements. Management expects to achieve PPI's required rate of return on completion of the renovations and a refinancing.

Strayhorse at Arrowhead Ranch
The Strayhorse at Arrowhead Ranch, a 136-unit luxury apartment complex is located in Glendale, Arizona. Revenues were approximately $2.0 million and cash flow was $67,000. Management expects to achieve PPI's required rate of return on completion of a refinancing.

Combined revenue for our Real Estate rental assets was $4.9 million and cash flow was $780,000.

Resorts and Recreation

Proprietary owns and operates three resort properties two of which are located in Alberta and one in British Columbia. During the current fiscal year, revenues and net income were negatively impacted by the major renovations at Kananaskis Mountain Lodge. While business at the Lodge was impacted by the September 11 tragedy in New York, domestic marketing efforts are producing positive results. Management is confident that the G-8 Summit planned to take place in Kananaskis next summer will give the company an excellent opportunity to showcase the property to the world. On March 26, 2001, Proprietary acquired Family Golf Acquisitions, Inc., which owns Eagle Quest Golf Centers Inc. ("EQ"). EQ owns and operates ten properties, five of which are located in British Columbia, two in Alberta and three in Ontario. Combined revenue for our resort and recreation properties was $16.7 million, cash flow was $2.3 million. Management expects to achieve PPI's targeted rate of return upon the completion of deferred maintenance catch up and realization on recently implemented marketing initiatives.

Resource

PPI's natural resource portfolio includes investments in Invader Exploration Inc., Kinwest Resources, Newmex Minerals Inc. ("NMM") and Sulphur Corporation of Canada Ltd. ('SCC"). Invader is accounted for on equity method and NMM and SCC are consolidated with PPI. Combined revenue and cash flow for our resource assets were $1.1 million and ($0.3) million respectively.

Effect of restatement

Proprietary has restated its financial statements for the years ending September 30, 1998, 1999 and 2000. Please refer to financial statements note 23 for more details. The following table summarizes the revenue, cash flow and net earnings for the above period before and after restatement.

Summary Financial Results, Before And After Restatement
(in $'000)

	1998	1999	2000	2001
Financial results as originally reported				
- Revenue	20,257	30,328	32,065	*
- Cash flow from operations	1,256	1,425	4,381	*
- Net earnings	2,978	6,629	9,524	*
Transactions at issue (and other)				
- Revenue	2,273	6,444	7,765	-
- Cash flow from operations	-	-	-	-
- Net earnings	1,490	6,362	6,241	-
Financial statements restated				
- Revenue	17,984	23,884	24,300	58,109
- Cash flow from operations	1,256	1,425	3,082	9,095
- Net earnings	1,488	267	3,283	16,789
Cash flow per share from operations as originally reported	***0.09***	***0.09***	***0.16***	*
Basic earnings per share as originally reported	***0.21***	***0.41***	***0.35***	*
Cash flow per share from operations as restated	***0.09***	***0.09***	***0.11***	***0.17***
Basic earnings per share as restated	***0.10***	***0.02***	***0.12***	***0.31***

*** except for fiscal 2001, which reflects both current results and the cumulative effects of restatement (see below)**

E&OE

Financial Condition, Liquidity, and Capital Resources

Proprietary has historically financed its growth through private equity placements and cash generated from its operations. During the year ended September 30, 2001, Proprietary raised $23.4 million through a private placement to various banks and pension funds compared to $90.3 million raised during the fiscal year ended September 30, 2000. Proprietary used the private placement proceeds and its excess cash flow to fund operations, capital expenditures and a number of transactions. In early December, Proprietary successfully concluded the financing of its golf operations for $11.0 million with a leading Canadian financial institution. The company is currently negotiating with various financial institutions to refinance its resort properties and expects to conclude financing before the end of the third quarter of 2002.

As at September 30, 2001, PPI's working capital and cash and short-term deposits were $45.4 million compared to $44.6 million at September 30, 2000, an increase of $0.8 million. Capital expenditures for the year ended September 30, 2001 amounted to $24.4 million (excluding business acquisitions). As at September 30, 2001, PPI's long-term debt was $38.7 million.

Dividends

Proprietary declared and paid a 3% stock dividend valued at $7.3 million during its second quarter.

Share Capital

As of September 30, 2001 Proprietary had outstanding 56,684,242 common shares, options to purchase 4,882,000 common shares, and warrants to purchase 2,600,000 common shares.

HUDSON & COMPANY LLP
Chartered Accountants

NEXIA INTERNATIONAL

Auditors' Report

To the Shareholders of Proprietary Industries Inc.:

We have audited the consolidated balance sheets of Proprietary Industries Inc. as at September 30, 2001 and 2000 and the consolidated statements of earnings and retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2001 and 2000 and the results of its operations and the changes in its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Hudson & Company LLP

Hudson & Company LLP Chartered Accountants

Calgary, Canada

February 15, 2002

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Telephone: (403) 265-0340 Fax: (403) 265-3142

Consolidated Balance Sheets

As at September 30	2001	2000 (restated)
Assets		
Current		
Cash and short-term deposits	$ 14,091,854	$ 53,113,583
Mortgage loans held for resale	1,249,785	-
Short-term investments	-	2,564,000
Accounts receivable		
- Trade	12,207,044	5,024,112
- Short-term notes (note 4)	30,099,278	12,353,021
Inventories (note 7)	2,613,285	1,685,959
Prepaid expenses and deposits	1,649,610	566,223
	61,910,856	75,306,898
Restricted cash deposits (note 5)	682,869	578,984
Notes receivable (note 8)	21,213,545	24,696,254
Land development costs (note 9)	5,798,648	7,593,329
Deposit	-	1,529,384
Property, plant and equipment (note 10)	101,664,015	60,579,334
Long-term investments (note 11)	30,938,360	15,034,467
Other assets (note 12)	3,769,157	5,938,216
	$ 225,977,450	$ 191,256,866
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 14,027,176	$ 2,499,103
Notes payable (note 13)	10,779,848	10,616,641
Customer deposits	417,579	97,022
Income taxes payable	366,523	481,611
Term loans (note 14)	8,966,338	9,056,628
Current portion of long-term debt	1,200,856	840,385
	35,758,320	23,591,390
Deferred revenue	1,977,785	12,769,176
Long-term debt (note 15)	30,102,468	30,764,468
Future income taxes	1,576,508	193,744
Minority interest in subsidiaries	1,205,301	5,191,213
	70,620,382	72,509,991
Shareholders' Equity		
Share capital (note 16)	146,580,848	114,695,597
Contributed surplus	598,550	-
Cumulative translation adjustment	746,128	834,653
Retained earnings	7,431,542	3,216,625
	155,357,068	118,746,875
	$ 225,977,450	$ 191,256,866

Approved on behalf of the Board

"Signed"
Peter J. Workum
Chairman & President

"Signed"
Peter G. White
Director

Consolidated Statements of Earnings and Retained Earnings

For the years ended September 30	2001	2000 (restated)
Revenue		
Construction	$ 1,123,318	$ 9,478,518
Rental	4,817,915	2,413,378
Resource	-	719,389
Finance	8,214,354	-
Resorts and recreation	16,791,011	3,583,302
Automotive	3,178,187	1,117,487
Interest	5,023,776	2,516,156
Gain on sale of businesses (note 2)	11,220,103	409,553
Principal merchant banking activity	4,925,621	1,082,681
Investment and other	2,611,329	1,966,698
Equity in earnings of Limited Partnership	203,012	1,012,928
	58,108,626	24,300,090
Expenses		
Construction	1,465,843	9,681,349
Rental	1,887,288	1,022,900
Resource	805,456	402,001
Finance	4,165,247	-
Resorts and recreation	13,464,684	1,551,171
Automotive	5,704,220	1,160,223
Principal merchant banking activity	750,248	-
General and administrative	3,442,548	4,087,687
Depletion and amortization	2,603,668	927,829
Interest	3,305,481	1,159,734
Writedown of investments, notes receivable and goodwill	2,045,448	-
	39,640,131	19,992,894
Earnings before income taxes and minority interest	18,468,495	4,307,196
Income taxes (note 17)		
Current	575,600	511,392
Deferred (reduction)	-	(45,947)
Future income tax	1,355,252	-
	1,930,852	465,445
Minority interest in subsidiary	(251,811)	558,929
	1,679,041	1,024,374
Net earnings	16,789,454	3,282,822
Retained earnings, beginning of year		
As previously reported	17,309,308	10,293,954
Correction of previous periods (Note 23)	(14,092,685)	(7,851,442)
Retroactive accounting change for future taxes (Note 3)	(4,758,672)	-
As restated	(1,542,049)	2,442,512
Retained earnings before the following subtotal	15,247,405	5,725,334
Dividends	(7,346,828)	(1,926,042)
Premium on redemption of shares	(469,035)	(582,667)
Retained earnings, end of year	$ 7,431,542	$ 3,216,625
Basic earnings per share	$ 0.31	$ 0.12
Fully diluted earnings per share	$ 0.27	$ 0.11

Consolidated Statements of Cash Flows

For the years ended September 30	2001	2000 (restated)
Cash flows provided by (used in)		
Operating activities		
Net earnings	$ 16,789,454	$ 3,282,822
Items not involving cash		
Depletion and amortization	2,603,668	1,014,674
Future income taxes (recovered)	1,355,252	(45,947)
Deferred revenue	-	(337,663)
Gain on sale of assets	(11,220,103)	(378,252)
Equity in earnings of Limited Partnership	(203,012)	(1,012,287)
Minority interests	(230,265)	558,929
Cash flow from operations	9,094,994	3,082,276
Change in non-cash operating working capital	(30,460,657)	(4,674,692)
	(21,365,663)	(1,592,416)
Financing activities		
(Increase) decrease in notes receivable, net	1,481,171	(5,857,431)
Decrease in long-term debt, net	(2,757,157)	(13,556,961)
Issue of common shares, net	31,885,251	91,551,613
Dividends	(7,346,828)	(1,926,042)
Redemption of shares	(469,035)	(582,667)
Restricted cash	(103,885)	(578,984)
Increase in deferred revenue	428,711	1,278,681
Increase (decrease) in foreign currency translation adjustment	(88,327)	804,581
Increase in contributed surplus	598,550	-
	23,628,451	71,132,790
Investing activities		
Decrease in deposit	1,529,384	270,616
Increase in investments	(12,465,806)	(4,202,956)
(Increase) decrease in land development costs	1,794,681	(3,345,901)
Additions to property, plant and equipment	(13,113,980)	(1,929,670)
Proceeds from sale of assets	-	858,027
Net cash decrease due to business acquisitions	(19,169,280)	(9,062,051)
Increase in other assets	140,484	(298,033)
	(41,284,517)	(17,709,968)
Increase (decrease) in cash	(39,021,729)	51,830,406
Cash, beginning of year	53,113,583	1,283,177
Cash, end of year	$ 14,091,854	$ 53,113,583
Cash flow per share from operations - Basic	0.17	0.11
- Fully diluted	$ 0. 15	$ 0.10

The following cash payments have been included in the determination of earnings.

	2001	2000
Interest paid	$ 3,461,481	$ 2,046,868
Taxes paid	$ 690,688	$ 206,027

PROPRIETARY INDUSTRIES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDING SEPTEMBER 30, 2001 AND 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) *PRINCIPLES OF CONSOLIDATION*
The financial statements of entities which are controlled by the Company, referred to as subsidiaries, are consolidated; entities which are not controlled and which the Company has the ability to exercise significant influence over, are accounted for using the equity method; and investments in other entities are accounted for using the cost method.

(B) *FOREIGN TRANSLATION*
The Company utilizes the temporal method of accounting for foreign currency transactions and financial statements of its subsidiaries. Under the temporal method, monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the historical exchange rates. Revenues and expenses are translated at the average rate for the period, except for depreciation and amortization which are translated on the same basis as the related assets. Exchange gains or losses are reflected in net earnings. This is a change from prior years as the majority of foreign operations are no longer self sustaining.

(C) *CASH AND CASH EQUIVALENTS*
Cash and cash equivalents includes cash on hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(D) *SHORT-TERM INVESTMENTS*
Short term investments are recorded at cost which approximates their fair market value. When there is other than a temporary decline in value, these investments are written down to provide for the loss. During the year $354,000 was written off.

(E) *SHORT-TERM NOTES RECEIVABLE*
Management believes that all short term notes receivable at September 30, 2001 are collectible. The short term notes receivable are held for investment purposes. When there is other than a temporary decline in value, these investments are written down to provide for the loss. During the year, $240,000 was written off.

(F) *INVENTORIES*
Inventories are valued at the lower of cost and estimated net realizable value with cost being determined on a first-in, first-out basis.

(G) *MORTGAGE LOANS HELD FOR SALE*
Mortgage loans held for sale are stated at the lower of cost or market in the aggregate. Cost is determined on an individual basis and includes nonrefundable fees and direct costs associated with the origination of loans. Market is determined by outstanding commitments and prevailing market prices. Gains represent the difference between the market price and the cost of the loans and are recognized when the loans are sold.

(H) *FINANCING COSTS*
Certain financing costs associated with obtaining mortgage financing are amortized on a straight line basis over 40 years.

(I) *PETROLEUM AND NATURAL GAS OPERATIONS*
The Company follows the full cost method of accounting for petroleum and natural gas operations whereby all costs of exploring for and developing petroleum and natural gas reserves are capitalized. Such costs include land acquisition costs, geological and geophysical costs, carrying charges on non-producing properties, costs of drilling both productive and non-productive wells and overhead charges directly related to acquisition, exploration and development activities.

All costs of exploring for and developing petroleum and natural gas reserves, together with the costs of production equipment, are depleted and amortized on the unit of production method based on estimated gross proven reserves. Petroleum and natural gas reserves and production are converted into equivalent units based upon units of revenue.

In applying the full cost method, the total capitalized cost less accumulated depletion, future income taxes and provision for future site restoration costs are limited to an amount equal to the estimated future net revenue from proven reserves plus the cost (net of impairment) of non-producing properties less estimated future site restoration costs, general and administrative expenses, financing costs and income taxes.

Substantially all of the Company's exploration and development activities related to the petroleum and natural gas are conducted jointly with others, through a controlled subsidiary. The accounts reflect only the Company's proportionate interest in such activities.

The proceeds from the disposal of oil and gas properties are normally applied as a reduction of the cost of the remaining assets unless it results in a change of 20 percent or more in the depletion rate, in which case a gain or loss on disposal is recorded.

(J) *MINING PROPERTIES*
Acquisition costs of mining properties together with direct exploration and development expenditures thereon are deferred in the accounts. When production is attained, these costs are depleted using the unit of production method based upon estimated proven recoverable reserves. When deferred expenditures on individual properties exceed the estimated net realizable value, the properties are written down to the estimated value. Costs relating to properties abandoned are written-off when the decision to abandon is made. Currently, there is no production at any of the properties therefore there is no provision for depletion.

(K) *CAPITAL ASSETS*
Property, plant and equipment are recorded at cost. The cost of property disposed of and related accumulated amortization are removed from the accounts at the time of disposition with any resulting gain or loss is included in income.

Amortization is provided for over the estimated useful lives of the assets on the declining balance basis at rates ranging from four to twenty per cent. Leasehold improvements are amortized on a straight-line basis over the life of the related lease. The sinking fund method of providing amortization is used for buildings. This method will amortize the cost of the building over a maximum period of 30 years (40 years in case of apartment buildings) in a series of annual installments increasing at the rate of 5% compounded annually.

(L) *LONG-TERM INVESTMENTS*
The accounts of all subsidiary companies are consolidated from the dates of acquisition. Investments in significantly influenced companies and limited partnerships are accounted for by the equity method. Other long-term corporate investments are carried at cost. When there is other than a temporary decline in value, these investments are written down to provide for the loss.

The investments in the Limited Partnership Units are accounted for using the equity method, whereby the investments are recorded at original cost plus the Company's share of income or loss less any distributions received. The year end for the partnerships is December 31, therefore, results from various quarterly financial statements are used to reflect earnings from the partnerships.

(M) *LAND DEVELOPMENT COSTS*
Land is recorded at the lower of cost, which includes development costs and carrying charges, and estimated realizable value.

(N) *ORGANIZATION COSTS*
Organization costs are recorded at cost and are being amortized using the straight-line method over five years.

(O) *GOODWILL*
Goodwill represents the excess of the cost of acquisitions over the fair market value of their net assets acquired at dates of acquisition and is being amortized using the straight-line method over forty years subject to an annual review for impairment based upon current and future profitability of the related assets.

(P) *REVENUE RECOGNITION*

(i) Real estate development and condominium construction

Revenue from all homebuilding and condominium sales is recognized upon the completion of the contract and transfer of title. During construction, all direct material and labor costs and indirect costs related to acquisition and construction are capitalized, and all customer deposits are treated as liabilities. Capitalized costs are charged to earnings upon closing. Costs incurred in connection with completed homes and selling, general and administrative costs are charged to expense as incurred. Provision for warranty costs and estimated losses on uncompleted contracts and on speculative projects is made in the period in which such losses are determined.

(ii) Resorts, recreation and real estate rentals

Revenue is recognized as services are provided or merchandize sold and title passes to the customer. Funds received in advance of meeting the revenue recognition criteria are deferred until future periods.

(iii) Loan and origination fees

Loan fees include direct origination fees and deferred loan fees. Deferred origination fees are recognized at the time a loan is paid in full or over the term of the related note. Loan fees represent fees earned by the Company for loaning money. The fee is recognized when the borrower and lender sign a loan commitment and the loan is funded. Loan fees included in notes receivable consist of deferred origination fees.

(iv) Interest

The Company recognizes interest when earned.

(v) Gain on sale of servicing mortgage loans

Gain on sale of servicing mortgage loans represents service release premiums on loans originated in house. The gain is recognized when the funded loan is sold and the proceeds are received.

(vi) Rent

Rent revenue is recognized as income in the month earned.

(Q) *LEASES*

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks or ownership of property are accounted for as capital leases. Assets acquired under capital leases are amortized on a declining balance method at an annual rate of 20%. All other leases are accounted for as operating leases and the related lease payments are charged to expense as incurred.

(R) *INCOME TAXES*

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the date of substantive enactment. To the extent that management does not consider it to be more likely than not that a future income tax asset will be realized, a valuation allowance is provided.

(S) *SHARE OPTION PLAN*

The Company has a share option plan as described in Note 16. No compensation expense is recognized for this plan when shares or share options are issued pursuant to the plan. Consideration paid for shares on exercise of the share options is credited to share capital.

(T) *PER SHARE INFORMATION*

Earnings per share and cash flow per share are calculated using the weighted average number of common shares outstanding during the year. Fully diluted per share information assumes the exercise of all options and share purchase warrants.

(U) *USE OF ESTIMATES*

The combined financial statements are prepared in accordance with Canadian generally accepted accounting principles which require management to make best estimates of the underlying value of assets, specific estimates of economic useful lives and rates of amortization, and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the timing of recognition of revenues and expenses during the reporting period. Actual amounts may differ from these estimates.

2. GAIN ON SALE OF BUSINESSES

The Company recognized gains on the sale of Swiss Plastering & Interiors Inc. and The Creative Classics Company as cash consideration relating to these transactions was received during the year.

3. CHANGE IN ACCOUNTING POLICY

In 2001, the Company changed its policy for accounting for income taxes based on the provision of Section 3465 of the Handbook of the Canadian Institute of Chartered Accountants was adopted effective October 1, 2000. The provisions were applied retroactively without restatement of prior period financial statements. At October 1, 2000, a future tax income tax liability of $221,256 was recorded and the deferred income tax liability of $193,744 was reversed.

Section 3465 also requires that when goodwill results on the acquisition of a subsidiary, and the goodwill is attributable primarily to tax losses of the subsidiary, the goodwill should be reallocated to future tax assets. In 1996, the Company acquired control of EnerGCorp Inc. a US company with substantial tax losses.

Retroactive application of Section 3465 requires that goodwill originally recorded on this purchase be reclassified to future tax assets. Since the Company cannot demonstrate that it is more likely than not that these assets will be realized, they have been written off. The effect of this retroactive restatement is reflected as a charge to opening retained earnings of the current year of $4,731,160.

4. SHORT TERM NOTES RECEIVABLE

	2001	2000 (restated)
Notes receivable from YUMA Road LLC in US dollars ($221,133) due on demand, unsecured and without interest.	**$ 349,057**	$ -
Note receivable from Raymond Hrdlicka in US dollars ($456,000). Receivable in monthly installments of $4,560 in US dollars plus interest at 12% per annum, secured by real estate, due on demand.	**719,796**	685,596
Note receivable from Kerry Kennedy, original amount in US dollars ($2,078,500) non-interest bearing; through January 2002, secured by a first deed of trust on real property.	**1,702,412**	-
Note receivable from Law Investments Inc., original amount in US dollars ($430,000); includes interest at 12%, secured by a first deed of trust on real property, due on demand.	**678,755**	-
Note receivable from Dyson & Dyson of San Diego Inc., original amount in US dollars ($1,500,000), payable in monthly installments of $22,899 until October 2001 and then monthly installments of $65,549 until maturity, including interest at 20% through December 2003, secured by first deeds of trust on real properties; paid in full October 1, 2001.	**2,116,840**	-

Note receivable from The Mark Andrew of the Palm Beaches Ltd.; original amount in US dollars ($8,400,000); increased to $10,366,232 during September 2001, payable in monthly interest installments of $103,662 at 12% interest rate, through September 30, 2002, when the balance of principle and accrued interest is due and payable; secured by real estate mortgage, assignment and security agreement.	**16,363,097**	-
Note receivable from Cofima Finanz AG in US dollars ($330,000) plus accrued interest bearing interest at 18% and unsecured, due on demand.	**583,023**	504,387
Notes receivable from Chateau Hotels and Resorts Inc. bearing interest ranging from 12% to 24% per annum, secured by a personal guarantee and financing contracts, due September 30, 2002.	**602,194**	-
Notes receivable from officers and directors of the Company bearing interest at 8.5% to 10% and are secured by options, due on demand.	**818,593**	-
Notes receivable from The Azterra Corporation bearing interest at 8% and secured by shares in Willow Creek Homes and Azterra Equities Inc. The notes which had no fixed terms of repayment were offset to notes payable subsequent to year end.	**6,194,646**	10,386,195
Note receivable from Golden Phoenix Minerals Inc. in US dollars ($400,000) plus accrued interest at 24% per annum, secured by a general security agreement against personal property assets, due August 5, 2003.	**760,561**	-
Other short-term notes receivable, due on demand.	**901,322**	776,843
	31,790,256	12,353,201
Deferred origination fees	**(1,691,018)**	-
	$ 30,099,278	$ 12,353,021

5. RESTRICTED CASH DEPOSITS

Real Estate
These funds are held in trust under various agreements with real estate lenders and also pursuant to regulatory requirements. The release of these amounts from trust is dependent upon the Company completing various stages of development work or other conditions as per the individual agreements.

Resort and Recreation
These funds are pledged as collateral for letters of credit on certain properties. The letters of credit generally relate to either property development activities or as security for future operating lease payments. Restricted cash is not available for general corporate purposes.

6. ACQUISITIONS

The following business acquisitions were completed in 2001:

On October 1, 2000, the Company acquired 64% of the issued and outstanding common shares of Canadian Rocky Mountain Properties Inc. ("CRMP"), a public company shell listed on the CDNX, in exchange for the Company's 100% interest in WCP Holdings Ltd. plus cash consideration of $18,427. This acquisition has been accounted for as a reverse takeover.

On October 16, 2000, the Company acquired an additional 20% of the issued and outstanding common voting shares in Newmex Minerals Inc. ("Newmex") from PensionsKasse der Ascoop, a related party, for cash consideration $1,800,000, bringing the Company's ownership in Newmex to 74.8%. Newmex is a public junior mining exploration company listed on the CDNX. This acquisition has been accounted for by the purchase method.

On November 16, 2000, the Company acquired a 70% ownership interest in Sulphur Corp. ("Sulphur") for cash consideration of $2,133,458, Sulphur is a private company currently constructing a sulfur, storage processing and handling complex. This acquisition has been accounted for by the purchase method.

On December 20, 2000, the Company acquired 97% of the issued and outstanding shares in Strategia Corporation ("Strategia"), a public company shell which has been delisted from the OTC Bulletin Board subsequent to acquisition, in exchange for the Company's 100% interest in EnerGCorp Inc. plus cash of $88,862 US ($133,318 CDN). This acquisition has been accounted for as a reverse takeover.

On January 31, 2001, the Company acquired 94% of the issued and outstanding shares of American Home Capital Corporation ("AHCC"), a private mortgage financing company, in exchange for the Company's 100% ownership in Swiss Asset Management, Inc. plus cash of $387,061 US ($580,591 CDN). This acquisition has been accounted for as a reverse takeover.

On January 31, 2001, the Company acquired an additional 25% of the issued and outstanding shares of The Lodge at Waterton Lakes Inc. ("Waterton") in consideration for a note receivable held by the Company of $862,326 and assumption of an obligation to pay $650,000, bringing the Company's ownership interest to 100%. Waterton is a company which owns and operates a resort property in Waterton Lakes National Park. This acquisition has been accounted for by the purchase method.

On January 31, 2001, the Company acquired an additional 25% of the Kananaskis Inn ("The Inn") in consideration for a note receivable held by the Company of $1,412,215, bringing the Company's ownership interest to 100%. The Inn is a 92 room resort property in the Kananaskis village. This acquisition has been accounted for by the purchase method.

On January 31, 2001, the Company acquired an additional 25% of the issued and outstanding shares of N.J.Q. Holdings Ltd. ("N.J.Q.") in consideration for a note receivable held by the Company of $415,216, bringing the Company's ownership interest to 100%. N.J.Q. is a company which owns and operates the Qualicum Heritage Inn at Qualicum Beach, B.C. This acquisition has been accounted for by the purchase method.

On March 27, 2001, the Company acquired 100% of the issued and outstanding shares of Family Golf Acquisitions, Inc. ("Golf") for cash consideration of $14,661,754. Golf owns and operates ten golf centers across Canada. This acquisition has been accounted for by the purchase method.

The results of operations for these acquisitions have been included since the acquisition date. Goodwill relating to these acquisitions is being amortized over 40 years.

The purchase price allocation for the 2001 acquisitions are as follows:

Assets acquired:	CRMP	Newmex	Sulphur	Strategia	AHCC	Waterton	The Inn	N.J.Q.	Golf
Cash	$ 200,154	$ -	$ 611,521	$ 12,897	$ (31,332)	$ -	$ -	$ -	$ 318,058
Working Capital (Deficiency)	-	-	(12,454,080)	-	(342,053)	-	-	-	(2,860,940)
Other Assets	-	-	130,053	-	33,618	-	-	-	-
Mining Properties	-	1,459,907	-	-	-	-	-	-	-
Long Term Receivable	-	-	-	-	475,893	-	-	-	-
Capital Assets	-	-	13,524,327	-	135,885	801,950	-	107,473	18,250,303
Goodwill	54,573	-	805,379	120,421	1,558,541	-	-	-	-
Liabilities assumed:									
Long Term Debt	-	-	-	-	(1,249,961)	-	-	-	(1,045,667)
Minority Interest	(235,780)	340,093	(483,762)	-	-	710,376	1,412,215	307,743	-
	$ 18,947	$ 1,800,000	$ 2,133,438	$ 133,318	$ 580,591	$ 1,512,326	$ 1,412,215	$ 415,216	$ 14,661,754
Cash Consideration	$ 18,947	$ 1,800,000	$ 2,133,438	$ 133,318	$ 580,591	$ 862,326	$ -	$ -	$ 14,661,754
Debt Consideration	-	-	-	-	-	650,000	1,412,215	415,216	
Total Consideration	$ 18,947	$ 1,800,000	$ 2,133,438	$ 133,318	$ 580,591	$ 1,512,326	$ 1,412,215	$ 415,216	$ 14,661,754

The purchase price allocation for the 2000 acquisitions as restated are as follows:

Assets acquired:	Pebble Beach	Fast Track	Resorts	776910 Ont.	Invader	Newmex
Cash	$ 148,974	$ 28,910	$ 19,814	$ 2,232	$ 90,204	$ 7,077
Working Capital (Deficiency)	(50,600)	(49,419)	(306,521)	(12,617)	1,144,157	(68,538)
Land Development	-	-	-	1,144,385	-	-
Mining Properties	-	-	-	-	-	5,909,253
PNG Properties	-	-	-	-	1,470,401	-
Capital Assets	16,894,401	55,272	21,494,502	-	-	-
Goodwill	-	482,524	-	-	-	
Long Term Debt	(12,782,975)	-	(11,962,051)	(334,000)	-	(870,377)
Minority Interest	-	(17,034)	(2,221,291)	-	(1,704,762)	(435,185)
	$ 4,209,800	$ 500,253	$ 7,024,453	$ 800,000	$ 1,000,000	$ 4,542,230
Cash consideration	$ -	$ -	$ 4,843,327	$ 125,000	$ 1,000,000	$ 3,390,935
Debt Assumed	4,209,800	390,000	2,131,126	-	-	-
Conversion of Debt	-	-	-	-	-	1,151,295
Shares	-	110,253	50,000	675,000	-	-
	$ 4,209,800	$ 500,253	$ 7,024,453	$ 800,000	$ 1,000,000	$ 4,542,230

The 2000 acquisitions were accounted for using the purchase method of accounting and the results of operations have been consolidated since the dates of acquisitions. The Company acquired an interest of 51% to 100% of these entities. The acquisitions were in apartment rentals, recreation, oil and gas, real estate development, mining and automotive.

7. INVENTORIES

Inventories are comprised of the following:

		2001		2000
Supplies	$	**1,291,005**	$	596,175
Alternative Vehicles		**1,225,464**		551,401
Work in Progress:				
Construction materials		**70,771**		6,600
Alternative Vehicles		**26,045**		157,989
Homes		**-**		373,794
	$	**2,613,285**	$	1,685,959

8. NOTES RECEIVABLE

		2001		2000 (restated)
Note receivable from Orion Resource Corporation, non-interest bearing with no fixed terms of repayment and unsecured. This note was written off during 2001.	$	**-**	$	266,194
Note receivable from Orion Resource Corporation in US dollars ($5,219,643) with accrued interest at 10% per annum secured by shares of Swiss Plastering & Interiors, Inc. and secured by a loan guarantee provided by an independent financial institution, due September 30, 2001.		**-**		7,847,732
Note receivable from The Creative Classics Company, bearing interest at 7% with no fixed terms of repayment.		**3,900,581**		542,841
Note receivable from Swiss Plastering & Interiors, Inc., bearing interest at 7% with no fixed terms of repayment.		**3,234,692**		1,558,927
Notes receivable from Citywide Funding, Inc. in US dollars ($1,700,000) with interest at 20% per annum, due on demand, secured by accounts receivable and business assets.		**2,683,450**		1,356,157
Notes receivable from Flathead Resources Inc., in US dollars ($176,908) secured by real estate and bearing interest at 3% per annum, due on demand. This note was written off during 2001.		**-**		265,981
Notes receivable from 557497 Alberta Limited, secured by assignment of proceeds from Fuji Bank loan and Export Development Canada, with interest at 12% per annum, due on demand.		**276,786**		246,868
Note receivable from United Industrial Services Ltd., due on demand, bearing interest at 24%, secured by convertible debentures and warrants in United Industrial Services Ltd.		**1,208,546**		826,696
Note receivable from Chateau Hotels and Resorts Inc. bearing				

interest at 12% per annum, secured by personal guarantee and secured financing contracts, due September 30, 2001.	**-**	396,279
Note receivable from HS Replica Cars AG due on demand, bearing interest at 12% per annum, secured by real estate.	**456,813**	455,872
Note receivable from Tourism Capital Corporation due on demand, bearing interest at 18% per annum, and secured by 25% interest in the Kananaskis Inn and the holding companies of the Waterton Lakes Lodge and Qualicum College Inn.	**-**	2,810,250
Notes receivable from YUMA Development LLC in US dollars ($3,765,717). The notes are due on September 29, 2005, bearing interest rates ranging from 8% to 9.21% per annum and secured by real estate and other assets.	**5,944,037**	5,223,911
Secured participation in a promissory note in US dollars ($1,000,000), due on or before January 4, 2002. The participation is secured by an interest in a deed of trust.	**1,578,500**	-
Secured promissory note, including interest accrued only at 8% per annum. The note is in US dollars ($228,791) due in August 2002 and is secured by 3,512 shares of common stock of American Home Capital Corporation, held in escrow.	**361,147**	-
Unsecured promissory note in US dollars ($106,875), including accrued interest of $6,875 at 9% interest per annum. The note is due December 28, 2002.	**168,702**	-
Note receivable from Saddleback Handcrafted Homes Ltd., in US dollars ($855,107) due on demand and without interest, secured by real estate.	**1,349,786**	912,229
Note receivable from Torrey Brooke Developments Inc., bearing interest at 13.5% due on February 25, 2001, secured by real estate.	**-**	1,226,856
Sundry Notes Receivable	**50,505**	759,461
	$ 21,213,545	$ 24,696,254

9. LAND DEVELOPMENT COSTS

Land development costs are comprised of the following:

	2001	2000
Acquisition costs		
Development	**$ 5,025,592**	$ 6,859,057
Capitalized interest	**729,176**	624,484
Other	**43,880**	109,788
	$ 5,798,648	$ 7,593,329

10. PROPERTY PLANT AND EQUIPMENT

	2001		
	Cost	Accumulated depletion and amortization	Net book value
Land	$ 21,744,990	$ -	$ **21,744,990**
Buildings	48,042,590	1,205,404	**46,837,186**
Mining properties	4,528,259	-	**4,528,259**
Mobile homes	683,828	107,472	**576,356**
Landscaping	1,233,032	515,150	**717,882**
Roads	1,800,405	537,665	**1,262,740**
Distribution lines	2,439,505	389,427	**2,050,078**
Leasehold improvements	4,935,323	228,354	**4,706,969**
Machinery and equipment	5,331,225	1,815,259	**3,515,966**
Vehicles	2,748,715	506,483	**2,242,232**
Sulphur Plant	13,481,357	-	**13,481,357**
	$ 106,969,229	$ 5,305,214	$ **101,664,015**

	2000		
	Cost	Accumulated depletion and amortization	Net book value (restated)
Land	$ 9,986,453	$ -	$ **9,986,453**
Buildings	34,377,509	557,436	**33,820,073**
Mining properties	3,213,376	-	**3,213,376**
Petroleum and natural gas properties	4,350,969	645,493	**3,705,476**
Mobile homes	751,621	67,735	**683,886**
Landscaping	806,879	430,807	**376,072**
Roads	1,773,870	427,861	**1,346,009**
Distribution lines	2,439,505	304,007	**2,135,498**
Leasehold improvements	1,782,683	24,731	**1,757,952**
Machinery and equipment	3,167,473	287,087	**2,880,386**
Vehicles	776,627	102,474	**674,153**
	$ 63,426,965	$ 2,847,631	$ **60,579,334**

a) The Sulphur terminal is currently under construction and no amortization has been taken on this asset. Amortization will commence when commercial production of the underlying assets begins.

b) In 2000, costs related to non-producing oil and gas properties of approximately $2,930,000 were excluded from the depletion calculation.

c) In 2001, the Company's ownership interest in a previously controlled subsidiary issued additional shares to other parties. As a result, petroleum and natural gas assets of this previous subsidiary are no longer consolidated as the Company now owns 38% of this company.

11. LONG-TERM INVESTMENTS

	Percent Owned		2001		2000
Investment in Limited Partnership Units					
The Lodge at Kananaskis/Ribbon Creek	36 - 40%	$	**7,488,895**	$	7,129,547
The Polo Club	19%		**946,852**		-
Stage West	19%		**2,453,969**		-
Other			**-**		849,910
Investment in Public Companies					
Invader Exploration Inc. (market - $6,862,200)	38%		**3,341,735**		-
Viceroy Resource Corporation (market – $602,310)	5.9%		**830,830**		-
AirIQ (market - $2,284,874)	6.0%		**3,304,707**		-
Phoenix Capital Inc. (market - $808,350)	19.9%		**910,226**		-
Golden Phoenix Minerals, Inc.	14.0%		**1,943,673**		1,760,127
The Azterra Corporation	0%		**-**		158,022
Other			**969,500**		-
Investment in Private Companies					
Kinwest Resources Ltd.	16.4%		**2,190,275**		-
The Creative Classics Company – preferred shares	100.0%		**4,883,920**		4,883,920
American Home Capital Corporation	20.0%		**-**		252,941
Other			**1,673,778**		-
		$	**30,938,360**	$	15,034,467

12. OTHER ASSETS

						2001		2000
		Cost		Accumulated amortization		**Net book value**		Net book value
Goodwill	$	3,745,190	$	1,089,672	**$**	**2,655,518**	$	5,791,579
Organization costs		733,612		93,910		**639,702**		118,004
Financing fees		563,006		107,637		**455,369**		18,042
ICBO costs		35,558		16,990		**18,568**		10,591
	$	5,077,366	$	1,308,209	**$**	**3,769,157**	$	5,938,216

13. SHORT–TERM NOTES PAYABLE

	2001	2000 (restated)
DRS Resource Investments Inc., Unsecured, interest at 8%	$ **1,420,650**	$ 4,209,800
The Lodge at Waterton Lakes Limited Partners and the shareholders of The Lodge at Waterton Lakes Inc., non interest bearing with no fixed terms of repayment.	**650,000**	2,841,502
Ascoop (US$500,000) Interest at 7%, secured by real estate property, due February 26, 2002	**789,250**	-
Rocking Cross Land (US$749,700) Unsecured, due November 1, 2001	**1,183,401**	-
Bank One Secured by chattel mortgage on vehicles	**1,284,143**	-
Bob Fillion Interest at 12%, secured by Notes Receivable	**710,325**	-
Tuscana Management Corp. (US$ 1,800,000), interest at 30%, secured by Promissory Note	**2,814,300**	-
Finspeed GmbH (US$ 200,000) Interest at 30%, secured by Promissory Note	**313,060**	-
Warehouse loan agreement with a Bank, which allows the Company to fund loans through a $3,000,000 line of credit provided by the Bank. The Company pays all fees associated with the line of credit. The Company also pays the Bank interest on loans while in the line of credit at LIBOR plus 4.43%	**1,233,432**	-
Hampton Court Resources Inc., due on demand	**-**	1,000,000
Emperor Estates Development Inc. ($1,596,849 USD), due on demand	**-**	2,400,862
Sundry	**381,287**	164,477
	$ **10,779,848**	$ 10,616,641

14. TERM LOANS

		2001		2000 (restated)
Qualicum College Inn First mortgage payable in monthly instalments of $13,275 including interest at 6.75%, secured by a general security agreement and land and building having a carrying value of $1,768,409, due January 27, 2002.	$	**791,816**	$	897,458
Waterton Lakes Lodge First mortgage due to Royal Trust, payable in monthly instalments of $55,818 including interest at 8.21%, secured by buildings having a carrying value of $9,240,251, due March 1, 2002.		**4,434,299**		4,586,000
Kananaskis Mountain Lodge Mortgage payable in monthly instalments of $34,233 including interest at 7.25%, secured by the premises and the leasehold interest, having a carrying value of $9,359,362, due March 1, 2001.		**3,390,223**		3,573,170
Central City Business Park Mortgage due to Safety First Savings & Mortgage Corp. payable in monthly instalments of interest only at prime plus 4% with a minimum of 12%, secured by buildings having a carrying value of $2,946,000, terms are month to month.		**175,000**		-
Central City Business Park Mortgage due to Malden Holdings Ltd. payable in monthly instalments of interest only at prime plus 4% with a minimum of 12%, secured by buildings having a carrying value of $2,946,000, terms are month to month.		**175,000**		-
	$	**8,966,338**	$	9,056,628

The Company is in the process of refinancing the above loans and believes that such financing will be obtained. The Company is in violation of loan covenants relating to the Qualicum College Inn and Kananaskis Mountain Lodge mortgages. As a result, the lender has the right to demand payment.

15. LONG-TERM DEBT

	2001	2000 (restated)
ASCOOP Notes Payable Interest payable annually at an annual rate of 7%, secured by property included in land development costs with a carrying value of $3,592,049, due January 29 2002 and payable in US dollars ($1,000,000)	$ -	$ 1,503,500
SPIDA Note Payable Interest payable annually at an annual rate of 7%, secured by property included in land development costs at a carrying value of $826,638, due June 1, 2002 and payable in US dollars ($500,000)	-	751,750
High River Plant and Land (40 acres) Mortgage payable in monthly installments of $3,466 including interest at 7% secured by land and building included in capital assets at a carrying value of $954,694,due September 1, 2002	**321,167**	339,969
Evergreen Community Mortgage payable in monthly installments of $83,085 including interest at 7.93% secured by capital assets at a carrying amount of $12,374,849, due October 01, 2010.	**11,096,622**	11,200,000
Mile West Community Term loan payable in monthly installments of $4,500 including interest at 7.25% secured by capital assets with a carrying value of $799,193, due December 7, 2004	**360,351**	381,796
Westridge Community Term loan payable in monthly installments of $3,000 including interest at 9.25% secured by capital assets at a carrying value of $180,949, due April 7, 2005.	**240,929**	254,157
776910 Ontario Ltd. Payable to Matt Ireland, non-interest bearing, from the proceeds of sale/development of the Company's assets which have a carrying value of $1,144,000.	**334,000**	334,000
322375 Alberta Ltd. Mortgage payable on monthly installments of $4,875 including interest at 7.7%, secured by the building and leasehold interest, having a carrying value of $413,220, due May 01, 2009	**323,945**	362,276
Kananaskis Mountain Lodge Term loan payable in monthly installments of $4,167 excluding interest. Interest is at prime plus 1%, secured by the premises and the leasehold interest The loan is due August 2008	**345,861**	395,865
Kananaskis Mountain Lodge Term loan payable in monthly installments of $2,500 excluding interest. Interest is at prime plus 1%, secured by the premises and the leasehold interest. The loan is due August 2008	**207,500**	237,500

Waterton Lakes Lodge 15% second mortgage, maturing December 31, 2002 payable in monthly installments of interest only, secured by buildings, having a carrying value of $9,240,251.	**1,500,000**	**1,500,000**
Rocking Cross Land LLC A non-revolving, Acquisition and Development loan, with First Security Bank. Interest rate is prime plus 1.5% and secured by 15 custom home sites. Payable in US dollars ($750,000), due November 2001.	**-**	**1,252,416**
Pebble Beach Apartments Inc. (Stray Horse) Mortgage payable to PFC Corporation in US dollars ($8,467,980) over a 40-year term requiring monthly payments of US$57,355 including interest, at 8.125%, having a carrying value of $16,528,310, secured by land and building.	**13,366,708**	**12,782,975**
Canadian Tire Plaza (Bancroft, Ontario) Mortgage payable in monthly installments of $6,032 including interest at 8.0% secured by the first mortgage on the property at 1 Fairway Boulevard and assignment of rents and fire and other perils insurance, having a carrying value of $1,100,000, due March 31, 2004.	**483,699**	**-**
Central City Business Park Mortgage payable in monthly installments of $19,904 including interest at 7.375% secured by the premises and the leasehold interest, having a carrying value of $2,946,000, due October 01, 2002.	**2,262,382**	**-**
Other – Capital Leases, implicit lease rate of 10% to 12% due on various dates until 2008.	**460,160**	**308,649**
	31,303,324	31,604,853
Less Current Portion	**(1,200,856)**	(840,385)
	$30,102,468	$30,764,468

Principal repayments on long-term debt over the next five years are as follows:

2002	$	1,200,856
2003	$	4,315,343
2004	$	349,526
2005	$	1,125,673
2006 and after	$	24,311,926
	$	31,303,324

16. SHARE CAPITAL

a) ***Authorized:***

(i) Unlimited number of common shares
(ii) Unlimited number of preferred shares

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series.

b) Issued

Common shares issued:

	Number of shares		Attributed Value
Balance September 30, 1998	14,705,502	$	13,532,066
Shares issued on private placement, net of share issue costs	2,858,900		8,490,958
Shares issued on acquisition of subsidiary	14,054		52,000
Shares cancelled	(141,400)		(168,293)
Balance September 30, 1999	17,437,056	$	21,906,731
Shares issued on private placement, net of share issue costs	15,890,000		46,110,001
Exercise of warrants	12,500,000		37,500,000
Shares issued on acquisition of subsidiaries (note 6)	225,787		835,253
Shares issued to satisfy affiliated Company debts	442,285		1,547,998
Shares issued on conversion of Preferred Shares	57,291		226,125
Shares issued on conversion of Convertible Debentures	1,149,258		5,199,023
Stock Options	175,000		65,500
Stock Dividend	564,322		1,829,055
Redemption of Shares	(308,936)		(524,089)
Balance September 30, 2000	48,132,063	$	114,695,597
Shares issued on private placement, net of share issue costs	6,050,000		21,297,853
Exercise of warrants	788,900		2,715,030
Shares issued on acquisition of properties	563,830		2,083,975
Stock Options	780,000		1,414,803
Stock Dividend	1,465,049		7,251,993
Redemption of Shares	(1,095,600)		(2,878,403)
Balance September 30, 2001	56,684,242	$	146,580,848

c) Stock Options:

A summary of the Company's options at September 30, 2001 and 2000 and the changes for the years ending on those dates is presented below:

	2001		2000	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Balance at beginning of year	1,840,000	$ 2.48	1,230,000	$ 2.06
Granted	4,022,000	3.20	630,000	3.30
Expired	(200,000)	3.10	-	-
Exercised	(780,000)	1.81	(20,000)	2.50
Balance at end of year	4,882,000	$ 3.16	1,840,000	$ 2.48

The following table summarizes information about the options outstanding at September 30, 2001.

Options	Exercise Price	Expiry Date
480,000	$ 3.30	November 26, 2001
380,000	$ 2.50	March 27, 2003
4,022,000	$ 3.20	January 3, 2004
4,882,000		

The November 26, 2001 options expired and none were exercised.

d) Warrants:

The Company has the following non-transferable share purchase warrants outstanding as at September 30, 2001:

Expiry Date	Number	Price
October 4, 2001	400,000	$2.81
October 14, 2001	1,000,000	$2.81
October 23, 2001	50,000	$2.81
January 04, 2002	1,150,000	$2.81
	2,600,000	

Subsequent to year end, the warrants expired and none were exercised.

17. INCOME TAXES

The income tax provision reflects an effective tax rate that differs from the expected tax rate as summarized below:

	2001	2000 (restated)
Expected tax expense at 42.9%	$ 7,963,755	$ 1,921,871
Alternative Minimum Tax	-	120,000
Loss in equity of affiliated companies	134,089	94,000
Amortization and depletion not deductible for tax purposes	-	45,000
Taxable loss of limited partnership investments	(197,007)	-
Exempt portion of capital gains	(1,110,320)	(309,000)
Tax losses of current year not recognized for accounting purposes	817,347	-
Benefit of utilization of tax losses of previous years	(6,278,291)	(1,413,426)
Change in valuation	716,075	-
Other	(114,786)	7,000
Income tax provision	$ 1,930,852	$ 465,445

The tax effects of temporary differences that give rise to future tax liabilities at September 30, 2001 are presented below:

Future tax assets:	
Mining properties and deferred costs	$ (250,344)
Capital assets and other assets	(2,948,585)
Operating loss carryforwards	8,700,187
Total gross future income tax assets	5,501,258
Valuation allowance	(7,077,765)
Net future income tax liability	$ (1,576,507)

A valuation allowance has been recorded against the future tax assets of certain subsidiaries, as the Company cannot demonstrate that it is more likely than not that the assets will be realized.

As at September 30, 2001, the Company has accumulated non-capital loss carryforwards for tax purposes of approximately $4,098,970, which can be applied to reduce income taxes otherwise payable, giving rise to a future tax asset of approximately $1,758,458.

These losses expire as follows:

2003	$ 251,208
2004	$ 243,876
2005	$ 308,762
2006	$ 2,010,929
2007	$ 842,326
2008	$ 441,869

The Company also has loss carryforwards in its U.S. subsidiary, EnerGCorp Inc. of $13,971,277, available to reduce future years' income. These losses expire from 2001 through 2011.

18. COMMITMENTS

a) *Operating Leases*

The Company leases premises under long-term operating leases that require the following annual rents:

2002	**$1,168,969**
2003	**$ 970,129**
2004	**$ 291,198**
2005	**$ 307,966**
2006	**$ 255,228**

b) *Land Leases*

i) *Waterton Lakes Lodge*
The Company leases land from the Government of Canada requiring annual lease payments of $25,500 until March 1, 2010 and at annual rental payments thereafter to be determined. The lease expires on March 1, 2039 and is renewable for an additional seven years.

ii) *Kananaskis Inn*
The Company leases land from the Government of Alberta. The lease agreement requires annual lease payments of approximately $4,000 escalating to $6,500 over the term of the lease, which expires in 2036. The lease is renewable for an additional twenty-five years.

iii) *Sulphur Corporation*
The Company is committed under a land lease located at "Ridley Island" expiring December 31, 2008, with an option to renew for a term of 10 years. The lease calls for minimum annual rental payments of $279,996 until the first shipment of sulphur in excess of 10,000 tonnes.

After the first sulphur shipment, the minimum rental payment will be calculated on a throughput rate based on the number of tonnes of sulphur shipped from the terminal. The throughput base-rate was established on December 31, 1998 at $0.511695 per tonne and shall be escalated annually to coincide with the Consumer Price Index. In addition, the minimum rental payments, as calculated using the throughput rate method, will be based on a minimum of 1,000,000 tonnes of throughput over the period beginning February 15, 2000 to February 15, 2005, and 200,000 tonnes of throughput per year thereafter.

c) *Management Contract*

i) *Sulphur Corporation*
The Company is committed under a management service agreement with a company controlled by its president until expiry in December 2008 with options to extend the agreement. The agreement provides for the following:

(1) yearly fees of US $120,000, which are subject to annual escalation tied to the Consumer Price Index,

(2) recoveries of various expenses incurred on behalf of the company, and

(3) payment of a bonus equal to $0.50 per tonne of sulphur processed in excess of 400,000 tonnes per calendar year at the Company's sulphur terminal.

ii) *Pebble Beach Apartments Inc.*
Under the terms of a property management agreement the company is required to pay an annual fee for the management and administration of an apartment complex in Phoenix Arizona. The management fee is calculated at 3.5 % of the apartments operating revenues. During the current year the company paid $66,000 in management fees under this contract.

Pursuant to a Management Agreement dated September 8, 2000 the Company has agreed to retain Tourism Capital Corporation (Canada) Ltd. to manage and operate its resort properties. Under the terms of the Management Agreement a management fee of 10% of resort operating income before certain fixed charges is payable on an annual basis. The Management Agreement can be terminated by either party subsequent to September 30, 2001. For the year ended September 30, 2001 a minimum fee of $100,000 is chargeable under the Agreement.

d) Construction and Renovations

i) Sulphur Corporation of Canada Ltd.
The Company estimates that additional construction costs of $ 14,000,000 will be required to complete the first phase of the sulphur terminal located in Prince Rupert, British Columbia prior to the commencement of full operations.

ii) EagleQuest Golf Centers
The Company has entered into a contract for installation of golf range turf at a driving range. As at September 30, 2001, the contract was 50% complete with a balance of $130,494 to be paid under the contract in the next year. Subsequent to year end, the contract has been completed and the balance paid in full.

e) Croisan Mountain Development

Pursuant to the terms of a development agreement and permit from the City of Salem, Oregon, the Company is committed to contribute US$400,000 towards the construction of a US $1.6 million water system that will supply water to its Croison Mountain project. The City of Salem has committed to fund the balance of these costs. Management anticipates recovering the majority of its commitment from other area developers who are interested in accessing this water supply.

f) Mining Properties

i) Mineral leases with an option to purchase
The Company has entered into two mineral leases with options to purchase. In each lease, the Company is committed to paying annual lease payments until the purchase price is paid out, the lease term expires, or until the Company decides to terminate the lease and abandon the claims. Lease payments in US dollars due in the next five years are as follows:

2002	$19,500
2003	$21,000
2004	$22,500
2005	$24,000
2006	$25,500

ii) Production Royalty Payments

a) Subject to the Purchase Agreement of October 15, 2001, to acquire 12 crown granted mineral leases at Zeballos, British Columbia, the Company is committed to the following:

(1) a 1% net smelter royalty, to a maximum of $250,000, payable from gold production to Newhawk Gold Mines Limited.

(2) 10% of gross revenues from the sale of timber from the properties payable to John Prochnau & Company.

b) Subject to the Option to Purchase Agreement of October 15, 2000 to acquire five claims at the Four Metals Copper Project, Arizona, the Company is committed to paying a 2% gross revenue royalty to the vendor.

c) On March 28, 2001, the Company announced that it had agreed in principle to sell its 70% interest in the shares of Sulphur Corporation of Canada Inc. ("Sulphur Corp.") to Newmex Minerals Inc. The purchase price would be Proprietary's book value of $2,100,000 and consideration would be in the form of cash, Newmex shares or debt instruments, as appropriate. Sulphur Corp. is constructing a sulphur and transportation terminal in Prince Rupert, British Columbia. The transaction has not been finalized and is subject to a number of conditions being met including regulatory and shareholder approval.

g) Employee Share Purchase Plan

The Company has established an Employee Share Purchase Plan which allows Directors, Officers and certain eligible employees to purchase the Company's shares under an arrangement where the Company will issue one share for the benefit of the employees for each share purchased. The maximum benefit available under the plan for any individual is $100,000 per year.

19. FINANCIAL INSTRUMENTS

Risk Management

The Company is exposed to financial risk that arises from the fluctuation in interest rates and in the credit quality of the various parties the Company does business with. These risks are managed as follows:

(i) Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to a financial instrument will fluctuate as a result of changes in market interest rates. The Company is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates used on their financial instruments.

The Company structures its financings so as to stagger the maturities of its debt, thereby minimizing the Company's exposure to interest rate fluctuations.

(ii) Credit Risk

Credit risk arises from the possibility that the entities to which the Company provides products and services may experience difficulty and be unable to fulfill their obligations. The Company mitigates this risk of credit loss through the diversification of its existing portfolio and limiting its exposure to any one entity. Credit assessments are conducted in respect of new entities.

Accounts receivable (trade and short term notes), notes receivable and long term investments are assessed on a regular basis by management to ensure the credit worthiness of debtors and ultimate collections. The Company has either obtained security or is endeavoring to obtain security on these financial instruments to further reduce their credit risk.

(iii) Foreign Exchange Risk

The Company is exposed to risks arising from fluctuations in foreign exchange rates, and the volatility of those rates. The company does not use dirivitives to reduce its exposure to foreign exchange.

Fair Value

In accordance with the disclosure requirements of the CICA Handbook, the Company is required to disclose certain information concerning its "financial instruments", defined as a contractual right to receive or deliver cash or another financial asset. The fair value of the majority of the Company's financial assets and liabilities approximate their recorded values at September 30, 2001. In these circumstances, the fair value is determined to be the market or exchange value of the assets or liabilities.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates. The significant financial instruments of the company and their carrying value as of September 30, 2001 are as follows:

Accounts Receivable, trade and short term notes	$ 42,306,322
Notes receivable	$ 21,213,545
Long term investments	$ 30,938,360
Accounts and notes payable	$ 24,807,015
Term loans	$ 8,966,338
Long term debt	$ 31,303,324

20. SUBSEQUENT EVENTS

a) On October 16, 2001 the Company acquired 4,000,000 common shares of Invader Exploration Inc. for $ 1,000,000 cash. As a result of this acquisition the Company increased its ownership in Invader to 45% of Invader's total issued and outstanding shares.

b) On December 14, 2001 the Company completed a private placement of 2,758,000 units for a total cash consideration of $ 3,309,190. Each unit subscribed for consists of one common share and a warrant granting the holder the right to subscribe for an additional common share at a price of $ 1.55 until December 13, 2003.

c) Subsequent to year end the Toronto Stock Exchange accepted a notice from the Company to make a normal course issuer bid. The issuer bid provides that the Company may, until December 6, 2002 purchase up to 2,834,212 of its common stock for cancellation at market price. Subsequent to year end the Company purchased 374,900 shares at a cost of approximately $ 663,000.

d) Subsequent to the year end the Company received approval for various credit facilities from the Bank of Montreal of approximately $12.29 million. The funds will be advanced in stages upon satisfaction of certain conditions. The facilities include an overdraft demand loan of up to $250,000, long-term financing by way of banker acceptances, prime rate based advances and fixed rate term loan in aggregate for $10.75 million and a risk management line for $1.29 million. The credit facility is secured by an unconditional guarantee for $11 million, first fixed and floating charge in an amount not less than $12.5 million over all real properties, and a general assignment of assets.

e) Subsequent to year end the Company raised approximately $ 342,000 on the issue of common shares under Its Employee Stock Purchase Plan.

f) On December 18, 2001 the Company entered into an agreement to acquire a downtown commercial property in Calgary, Alberta, for a purchase price of $ 35,000,000. Subsequent to year end a cash deposit of $ 1,000,000 has been made on the purchase. The balance of the purchase price is anticipated to be provided by a combination of cash of approximately $ 9,000,000 and mortgage financing of approximately $ 25,000,000. This acquisition is subject to final board approval, a satisfactory title review and the Company obtaining acceptable financing terms.

g) Subsequent to year end, the Company made an offer to purchase the assets of United Industrial Services Ltd. (UIS) for $ 500,000. UIS operates a silica processing plant and is currently in receivership. Subsequent to year end a deposit of $ 255,000 has been made with the receiver relating to the purchase. The purchase is subject to the execution of a formal purchase and sale agreement and regulatory approvals requiring transfer of title to the Company.

h) In November, 2001, the Company commenced repossession of mining equipment from Golden Phoenix Minerals Ltd. under the terms of a security agreement in satisfaction of the note receivable per note 8.

i) A shareholder rights plan, which is subject to shareholder approval, was announced on February 11, 2002.

j) On February 16, 2002, the Board of Directors approved the repricing of all outstanding options, subject to shareholder approval.

k) On January 31, 2002, the Alberta Securities Commission ("ASC") released a Notice of Hearing alleging that the Company's financial statements for the years ended September 30, 1998, 1999 and 2000 contained material misrepresentations. On February 22, 2002, the respondents to the Notice to Hearing will convene with the ASC to set a date for a hearing of the allegation. The outcomes of the hearing can not be determined at this time.

l) In December, 2001, the Company reacquired Willow Creek Homes Inc. in exchange for the promissory note due from The Azterra Corporation.

m) In December, 2001, the Company acquired the balance of the University Polo Club Limited Partnership units in exchange for a short term note receivable from The Azterra Corporation.

21. CONTINGENCIES

The General Partners of the Mountain Inn at Ribbon Creek Limited Partnership has initiated an action against the Company alleging that the offers to acquire all of the outstanding partnership units are in violation of the governing partnership agreement. Although this action was commenced on February 24, 1999, the plaintiff has taken no steps to prosecute it.

The General Partners of the Mountain Inn at Ribbon Creek Limited Partnership has initiated an action against the Company alleging that the offers to acquire all of the outstanding partnership units are in violation of the governing partnership agreement. This action has been consolidated with an action that the Company has brought against the General Partner of the Lodge at Kananaskis Limited Partnership for a declaration that the offers are not in violation of the governing partnership agreement, and these issues are scheduled to proceed to trial on sometime in 2002.

Management believes that all of the above charges are totally unfounded and without merit, and will vigorously defend its position.

The effects of the above actions, in the event of an unfavourable judgment, cannot be reasonably determined.

22. LEGAL PROCEEDINGS

a) Resort Properties

The Company has commenced an action against the general partner of the Lodge at Kananaskis and the Mountain Inn at Ribbon Creek Limited Partnerships seeking a declaration that offers made to limited partner unit holders to purchase their units were not in violation of the partnership agreement under which such units were acquired, a declaration that it has valid ownerships rights to their acquired partnership units as well as other ancillary relief. The Company has also advanced a claim for general damages in connection with misrepresentation, defamation, breach of partnership agreements and interference with economic relations

The general partner of the Mountain Inn at Ribbon Creek Limited Partnership has commenced an action against the Company involving allegations of defamation and wrongful interference with contractual relations.

The General partners of the Lodge at Kananaskis and the Mountain Inn at Ribbon Creek Limited Partnerships have sought an injunction prohibiting the Company from using the name "Kananaskis Mountain Lodge" for its resort operations located in the Kananaskis Resort complex.

The probability of the Company being successful in the above actions and the monetary considerations for damages against or awarded to the Company cannot be reasonably determined.

b) United Industrial Services

The Company has been named as a defendant under a claim in which the plaintiff alleges the Company breached a contract under a share purchase agreement. The plaintiff claims that the Company did not complete a transaction in which it was obligated to acquire the plaintiff's shares in United Industrial Services Inc. The plaintiff is seeking damages of approximately $ 3,000,000.

Management believes that the above claim is totally unfounded and without merit, and will vigorously defend its position. The outcome of this claim cannot be reasonably determined.

c) eDispatch.com Wireless Data Inc.

The Company has commenced an action against eDispatch.com Wireless Data Inc. and certain of its officers and directors for conduct oppressive to the Company as an eDispatch shareholder. The Company initiated a takeover bid for a majority of the shares of eDispatch which was unsuccessful due to a subsequent merger of eDispatch with AirIQ Inc. based in part on a recommendation by eDispatch management and Directors to eDispatch shareholders to reject the Company's takeover bid. The Company alleges that it has suffered damages for loss in value in its eDispatch shares and for related expenses.

Related to the above action the Company has commenced an action against CIBC World Markets Inc. for negligent misrepresentation made to eDispatch and eDispatch shareholders in connection with the Company's takeover offer bid and the merger of eDispatch with AirIQ Inc.

The probability of the Company being successful in the above action and the monetary considerations for damages awarded to the company cannot be reasonably determined

d) Strategia

Pursuant to a purchase and sale agreement involving the sale of a former subsidiary of Strategia Corporation, Strategia had indemnified the subsidiary for certain tax liabilities which would result from the disallowance of management fees expenses paid by the subsidiary to Strategia. The subsidiary Company received a reassessment notice from the Government of France taxation authorities assessing taxes interest and penalties in the amount of 1,247,000 French Francs ($264,000 Canadian) disallowing the management fees.

Management feels the assessment can be successfully appealed however the likely hood of the results of an appeal cannot be reasonably determined.

f) Saddleback Handcrafted Homes Ltd.

Subsequent to year end, a court order awarded the Company the full amount of the Saddleback receivable plus interest.

23. RESTATEMENT OF PRIOR YEARS FINANCIAL STATEMENTS

The Company has identified certain asset sales that took place in the September 30, 1998, 1999 and 2000 which are open to more than one method of reporting under Canadian Generally Accepted Accounting Principles ("GAAP"). Management has now decided to restate the Company's September 30, 1998, 1999, and 2000 financial statements in order to take the most conservative approach to these transactions, as described in detail below.

The Company's financial statements for the years ended September 30, 1998, 1999 and 2000 have bee restated as follows:

September 30, 1998
A net gain of $1,900,000 on a portion of the sale of certain mining company shares has been reversed based on information obtained during 2001.

September 30, 1999
A net gain of $6,264,000 on the sale of a subsidiary, Swiss Plastering & Interiors Inc. has been reversed and recorded as a deferred gain of $6,264,000 in the September 30, 2000 financial statements. A gain of $6,264,000 was recorded in the current year when the full cash consideration relating to this transaction was received.

September 30, 2000
A net gain of $ 5,203,000 on the sale of two subsidiaries, The Creative Classics Company and Willow Creek Homes Inc., has been reversed and recorded as a deferred gain of $ 5,613,000 in the September 30, 2000 financial statements. A gain of $4,956,000 was recorded in the current year where the cash consideration resulting from one of these transactions was received.

Gains of $1,800,000 on the sale of real estate have been reversed and recorded as deferred gains of $1,800,000 in the September 30, 2000 and 2001 financial statements. The gains on these transactions will be recognized when the consideration is received.

As a result of these restatements, the accounts of Newmex Minerals Inc. were consolidated into the accounts.

The following table summarizes the restatement adjustments recorded by the Company:

	Increase (Decrease) 2000	Prior Years
Current assets	$ (615,079)	$ -
Note receivables	1,977,102	-
Land development costs	2,330,425	-
Deferred revenue	6,486,208	(6,263,594)
Current liabilities	(1,495,366)	(67,000)
Capital assets	(32,603,444)	(2,641,983)
Long term debt	(26,875,986)	-
Deferred taxes	(43,947)	(637,000)
Cumulative translation adjustment	(32,076)	-
Revenues	(2,528,574)	-
Gain on sale of assets	(5,203,226)	(8,536,264)
Interest income	(33,076)	(180,801)
Operating expense	1,032,764	(188,512)
Earnings from operations	(6,732,112)	(8,905,577)
Minority Interest	(248,317)	(350,135)
Income taxes	(242,555)	(704,000)
Net income	(6,241,240)	(7,851,442)
Effect on earnings per share	$ (0.23)	$ (0.50)

24. RELATED PARTY TRANSACTIONS

a) Included in notes and accounts receivables is $2,702,098 (2000 - $857,000) due from the president who is a director and shareholder of the Company. The note portion on $595,165 bears interest at 10% and is due on demand. The balance bears no interest and is also due on demand.

b) Included in notes receivable is $223,428 (2000 - $Nil) due from an officer who is a shareholder of the Company. This amount bears interest at 10% and is due on demand.

c) Included in notes receivable (Note 4) is an amount due from Law Investments in the amount of $678,755. The president of Law Investments is also an officer and director of the Company.

d) Included in short term notes payable (Note 13) is an amount of $1,420,650 due to DRS Resource Investments Inc. a Company controlled by a former director.

e) Included in short term notes payable (Note 13) is an amount of $789,250 due to Pensionskasse der ASCOOP, a pension fund which owns approximately 12% of the Company's issued shares. During the year the Company paid interest in the amount of $53,725 on this note.

f) Included in short term notes payable (Note 13) is an amount of $710,325 payable to Bob Fillion an officer of the Company. During the year the Company paid interest in the amount of $30,000 on this note.

g) Included in long term debt (Note 15) is an amount of $334,000 payable to an officer. During the year the Company paid interest in the amount of $31,730 on this loan.

h) During the year the Company made sales in the amount of $147,435 from its automotive operations to the president who is a director and shareholder of the Company. These sales were based on amounts normally charged to third parties and are also included in trade receivables.

i) During the year the Company purchased vehicles in the amount of $69,075 from an officer of the Company. These purchases were based on amounts normally paid to third parties.

j) The Company acquired 95% of the shares of Travel Wise for an amount of $631,400. The president of the company was appointed an officer and director of Travel Wise. Travel Wise is an inactive public Company and the shares are restricted. This acquisition was late in the year and there have been no activities since acquisition and therefore only nominal assets and liabilities.

25. COMPARATIVE FIGURES

The comparative figures have been reclassified to conform to the financial presentation adopted for the current year.

26. SEGMENTED INFORMATION

Industry Segments	Automotive		Construction		Corporate & Other		Financing		Real Estate Rentals		Resorts & recreation		Resource		Consolidated	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Total sales	$ 3,270,240	$ 1,099,910	$ 1,120,712	$ 10,848,752	$ 22,256,304	$ 4,158,793	$ 8,643,306	$ -	$ 4,898,989	$ 2,476,127	$ 16,792,804	$ 4,710,833	$ 1,126,272	$ 1,005,675	$ 58,108,627	$ 24,300,090
Segment operating profit	(2,433,979)	(60,313)	(345,131)	1,266,944	21,514,156	3,104,422	4,478,059	-	3,011,701	1,453,227	3,328,120	3,159,662	320,816	630,675	29,873,742	9,554,617
General & administrative					3,442,548										3,442,548	4,087,687
Amortization															2,603,338	927,829
Interest expense															3,305,481	1,159,734
Writedowns															2,045,448	-
Earnings before income taxes															18,468,495	4,307,196
and Minority interest																
Income taxes and Minority interest															1,679,041	1,024,347
Net earnings															16,789,454	3,282,822
Identifiable assets	(1,279,603)	2,992,203	(1,020,065)	20,278,270	123,340,959	118,176,515	29,657,313	-	34,846,045	14,505,545	32,175,625	25,247,482	8,257,176	10,056,851	225,977,450	191,256,866
Net capital expenditure	2,232,479	742,297	-	16,857,691	202,926	501,372	521,648	-	5,059,963	35,945	23,482,958	21,601,666	13,860,562	7,529,134	45,360,536	47,268,105

									Canada		USA		Puerto Rico		Consolidated	
									2001	2000	2001	2000	2001	2000	2001	2000
otal sales									29,556,559	$ 12,688,381	$ 28,552,067	$ 11,611,709	$ -	$ -	$ 58,108,626	$ 24,300,090
egment operating profit									13,491,179	8,788,929	16,382,533	765,688	-	-	29,873,712	9,554,617
eneral & administrative															3,442,548	4,087,687
mortization															2,603,338	927,829
terest expense															3,305,481	1,159,734
/ritedowns															2,045,448	-
arnings before income taxes															18,468,495	4,307,196
nd Minority interest																
come taxes and Minority interest															1,679,041	1,024,347
et earnings															16,789,454	3,282,822
entifiable assets									$ 192,645,201	$ 107,629,490	$ 32,685,039	$ 83,033,193	$ 647,210	$ 594,183	$ 225,977,450	$ 191,256,866